

House Republican Press Release

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State Small Business Jobs Bill is a Good Start



By state Rep. Toni Boucher, R-143rd, Wilton, Norwalk

The future of jobs creation lies in promoting new, small businesses. Fortunately, the Connecticut legislature has gotten the message and has taken action.

Sometimes called micro-business, these are generally start-up companies, often mom and pop shops, with 10 to 50 employees. Like General Electric, United Technologies and Xerox, some of these small firms have the potential to become tomorrow's corporate giants.

According to state statistics, there are 277,000 registered micro-businesses already in Connecticut. They generate \$15 billion in revenues, pay \$430 million in taxes and employ some 400,000 people.

These are often minority-owned businesses, providing an opportunity for urban residents to start up the ladder to success and financial security.

Nearly 90,000 of these micro-enterprises are located in Fairfield County—30,000 more than the next largest county—generating nearly \$6 billion in revenue, most of which is put back into the community. We need to foster this economic growth with investment in transportation infrastructure improvements.

Why should we be good to small businesses? Because they are good for our state. And why when we talk about scarce transportation and mass transit dollars and other state funds, it is important to have money follow the jobs – which by a large margin tend to be in Fairfield County. We have waited far too long to be heard on this issue. We need our citizens, especially our less affluent have access to a fast and less expensive way to get to jobs.

Promoting such new businesses has become a legislative priority this year, and the major initiative is job-creating package of tax cuts and other programs to help stimulate the state's lagging economy and improve our business climate.

I cosponsored and voted for a measure approved by the state House and Senate to phase out the local property tax on manufacturing equipment, provide tax incentives to

the film industry and undertake efforts to promote small business job creation. It contains some good provisions to promote the business climate of the state.

I was happy to support the phase out of the property tax on manufacturing equipment and machinery, which has further burdened our manufacturers and made them less competitive with other states that do not impose this tax. I think this has great value in preserving the struggling manufacturing base in Connecticut and I hope it also attracts new manufacturing jobs.

The measure, SB 702, establishes corporation tax credits for producing films and digital media in Connecticut. It establishes new programs designed to encourage innovation including recruitment of eminent faculty at University of Connecticut (UConn), a new UConn Center for Entrepreneurship, funds for small business incubators and programs to provide early stage venture capital, as well as matching grants for micro-businesses.

The legislation also requires the state Department of Education to establish three pilot grant programs related to math and science education, and it creates education loan relief programs for doctoral students and engineering students.

Certainly, this legislation is just a start. There are great number of other things the state needs to do to create a business friendly environment. Conspicuously missing from the bill were proposals that I have supported to eliminate the \$250 minimum business tax, eliminate the corporate income tax surcharge that was supposed to be temporary and reduce taxes on electricity.

Overall, this is a good start. However, I hope the session will not produce one step forward and two steps backwards on the jobs and tax front.